

CONSERVATION COMMISSION

Grants Administrative Procedures Manual

Responsiveness Summary

5/9/2005

BACKGROUND:

The Grants Administrative Procedures Manual is updated every biennium to incorporate new Commission policy, clarify existing policy and procedures, incorporate stakeholder suggestions, and conduct a general administrative “house cleaning”.

Two of the new sections, a Small Works Roster Process and a process for surplusing of property, were reviewed and authorized by the both State Auditor’s Office and their Assistant Attorney General.

A draft of the Grants Administrative Procedures Manual was sent out for review and comments to conservation districts, Conservation Commissioners and staff on February 7, 2005. Recipients were given until March 31 to respond.

The Conservation Commission received comments from the following conservation districts:

- ◆ Asotin
- ◆ Kitsap
- ◆ Pend Oreille
- ◆ Skagit
- ◆ Whatcom

Copies of comments are on file at the Conservation Commission.

RESPONSIVENESS SUMMARY:

REGARDING: Chapter II, F.2, Payment Requests: “The Commission uses district invoice vouchers as another form of monitoring grant progress. Districts are required to submit an invoice voucher form at least quarterly, even if expenditures have not been incurred. By submitting an invoice voucher with the “No Activity this Quarter” box checked, the district is effectively reporting no grant activity has occurred and no expenditures have been incurred.”

COMMENT: This should not excuse them from mandatory reporting.

RESPONSE: This is a good suggestion. Language in the above referenced section was enhanced to incorporate it.

REGARDING: Chapter II, F.3, Final Report: “Districts must submit a final report and other closing documentation required by the Commission within 30 days after the grant expiration date. A final payment will not be made until the final report and other required documents are received.”

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COMMENT: CD suggested adding “or other date specified in the grant contract”

RESPONSE: This is a good suggestion. Language in the above referenced section was enhanced to incorporate it.

REGARDING: Chapter II, G.3.a, Termination for withdrawal or reduction in funding: “The Commission may unilaterally terminate all or part of the grant contract, or may reduce its scope of work and budget, if the legislative appropriation or state or federal allotment that is the basis for the grant contract is withdrawn from the grant program. In such cases, the Commission will renegotiate the terms of the grant contract with the district. Termination will be effective when the Commission sends written notice of termination to the district.”

COMMENT: Should this be a unilateral change? The district priority in a reduced funding situation may be different than what the Commission may interpret. Maybe there should be a week’s extension for the district to resubmit their scope of work and budget with the new information.

RESPONSE: This suggestion led to a revision of language in the above referenced section.

REGARDING: Chapter III, B.3, Computing overhead costs

COMMENT: What’s so hard about figuring out your previous annual expenses to keep your office open and pay your utilities, then dividing that total by the amount of grants you’ll have during the grant cycle so everyone is paying a fair share? If you’re worried about inflation, tack on another 5% to each grant’s share.

RESPONSE: The additional overhead calculation option of 10% of the total grant award was added to enable those CDs that choose to utilize all of their grant award as cost share a method to cover their administration costs.

REGARDING: Chapter III, B.4.b.xiii, Miscellaneous: “subscriptions, memberships (including WACD, NACD, and Area Association dues), printing and binding, etc.”

COMMENT: Add cost for accounting programs or other software shared among all activities.

RESPONSE: This is a good suggestion. Language in the above referenced section was enhanced to incorporate it.

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REGARDING: Chapter III, C, Match Requirement – “For Water Quality Implementation grants it is important to contract for the match amount the district can acquire. If the contracted match amount is not met, the Commission may decrease the district’s grant award.”

COMMENT: A couple of ideas here: First, if NRCS is a contributor the Commission has already received a signed copy of their match for the grant. NRCS will not sign this paper unless they can confirm this amount of work is going to be done, and then it’s estimated on the low side of its value. This amount should be vouchered for within the last two months of the grant, but the Commission knows it’s there and can list it as “authorized but unvouchered” and can place it on their reports so it doesn’t look like the CDs are delinquent in submitting the in-kind

Have separate in-kind columns to track the required 10% for the grant itself and landowner / volunteers doing implementation work. Tracking these would show the CD met its minimum obligation and is requiring landowners or other grants to produce additional in-kind to complete a project.

RESPONSE: In order to receive the higher level of Water Quality Implementation Grant Program funding, CDs can use match in excess of the 10% minimum required in the calculation of Total Project Costs. CDs must account for the amount of match in the Implementation Grant Budget by the end of the grant period. During the last quarter of the grant contract, grants staff evaluate match documentation with respect to expenditures, and work with CDs to account for the contracted match. Payments may be withheld until match amounts are brought in line with expenditures.

REGARDING: Chapter III, C.5.b, Minor: “this is a person under 17 years or younger who has provided unpaid services to a district project. These services will be valued at the current minimum wage per hour.”

COMMENT: I’d define minor as “any person under 18 years of age”. That eliminates the question of 17 yrs 3 mos as being over 17 years old.

RESPONSE: This is a good suggestion. Language in the above referenced section was revised to incorporate it.

COMMENT: Why the discrimination? If the minor is doing the same work as the adult, why not credit them the same. I’ve taken high school kids out sampling as part of a job shadow class, and they worked harder and caught on faster than some adults.

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Don't forget the change of match value for those who we have valid composite rates for.

RESPONSE: This revision to the policy is consistent with how other state agencies account for in kind match. The rationale for using an \$18/hour rate for school children and minors is difficult to justify, and does not meet the "would you want this to appear on the front page of your local newspaper" test.

REGARDING: Chapter III, D.7, Communications: "including project-related costs incurred for telephone calls or service, facsimile service, wide area telephone service (WATS), Centrex, tepid (tie lines), postage, messenger service, and similar expenses."

COMMENT: Add e-mail.

RESPONSE: This is a good suggestion. Language in the above referenced section was enhanced to incorporate it.

REGARDING: Chapter III, D.9, Documentation of match: "All eligible costs must be recorded as they are incurred. This requirement is true for costs which are reimbursed by the grant contract, as well as costs used to meet the match requirement. Documentation of cash and in-kind match contributions must be submitted with the first payment request using forms and following instructions provided by the Commission. Subsequent payment requests require that the documentation be maintained in the district's grant contract file.

For Commission WQ Implementation grants, it is important to contract for the match amount the district can acquire. If the contracted match amount is not acquired and documented before the end date of the contract, the district's grant award will be decreased, and/or the district may be required to return grant funding.

During the last quarter of the grant contract, grants staff will evaluate match documentation with respect to expenditures, and withhold payments until match amounts are brought in line with expenditures."

COMMENT: This still encourages districts to show only 10% match in their application. We'd like to see districts plan for more than 10% match when they are confident they can reach it, but this will penalize a district if they don't achieve what is set in the application. Additional comment, why not withhold payments at each voucher if match is not met?

RESPONSE: The match requirement for the WQ Implementation Grants Program is 10%. Conservation districts have the opportunity to

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account for additional match in the annual report of accomplishments. Regarding the additional comment, the Commission does not require match be accounted for on a voucher-by-voucher basis, but does need to be in line with spending by the last quarter of the grant contract. This method removes the pressure of coming up with match for each voucher and provides the maximum amount of flexibility to districts to account for match as it is acquired.

REGARDING: Chapter III, D.26, Training and education: “the cost of training that directly benefits the project. Reimbursement of training and education – related expenses will be made on a reimbursement basis.”

COMMENT: Include examples: WADE, technical training such as Livestock, NRCS sponsored training, etc.

RESPONSE: This is a good suggestion. Language in the above referenced section was enhanced to incorporate it.

REGARDING: Chapter III, E.2, Regional Envirothon Contest Expenses
“Regional Envirothon Contest participation is not an allowable activity under all Conservation Commission grant programs. Be sure to review individual grant program application instructions to determine allowability of activities. In order for allowable expenses to be eligible for reimbursement, the grant contract negotiated between the Commission and district must include Regional Envirothon Contest participation objectives and tasks, and the budget must reflect the anticipated costs.

Eligible Regional Envirothon Contest expenses include, but are not limited to, contest-related district employee salary, benefits and travel costs; supplies for conducting the contest, i.e. paper, pens, clip boards, etc.; light refreshments for participants and volunteers, facilities rental, awards and tee shirts for the winning team, and registration for the winning team’s participation in the state contest.

Ineligible Regional Envirothon Contest expenses include, but are not limited to, lunches for volunteers and participants, and tee shirts for all participants.”

COMMENT: We charge staff time and educational materials only to the grants. This would include travel for staff to conduct classes, to acquire materials needed for the event, set-up and take-down, etc... We do not charge the grant for food or beverages, trophies, tee

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shirts, outhouses (if needed), travel pay for winning school(s), entry fee for State Envirothon, etc...Those funds are donated by local businesses for these specific costs.

RESPONSE: None needed.

REGARDING: Chapter IV, B.2.e, Supporting documentation of Costs:
“Copies of the signed Cost Share Application: “This also includes the Cost Share Partial Payment Request form and copies of receipts or other proof of expenditures related to the cost share project.”

COMMENT: Can the chair designate a staff person to sign these documents?

RESPONSE: Yes, 89.08.210 states: “The supervisors may delegate to their chairman, to one or more supervisors, or to one or more agents or employees such powers and duties as it deems proper.”

The 2005-07 Authorized Signatures Form will be updated to include the names and signatures of personnel authorized by the board to sign Cost Share Applications and Agreements.

REGARDING: Chapter IV, B.2.f, supporting documents of costs – “Copies of signed Cost Share Application and Agreement. This also includes the Cost Share Partial Payment Request form and copies of receipts or other proof of expenditures related to the cost share project.”

COMMENT: We use it, but we also use a landowner agreement we built using the USFWS’s form as a template that allows other agency personnel who may be cost sharing with use on the project access. I believe a form stating the work is complete to NRCS standards should accompany the voucher to prove the job is complete.

The Cost Share Partial Payment Request form is a different story. This form doesn’t mean the total job is complete, but the portion being vouchered is. Its major purpose is to alleviate a hardship on landowners on a limited income. This should be accompanied by a statement from the approving authority this portion is completed and can be paid.

RESPONSE: None needed.

REGARDING: Chapter IV, B.3.d, Invoice Vouchers not submitted at least quarterly: “If expenditures have been incurred but a voucher has not been submitted for more than 3 months, the district will submit all supporting documentation with the next voucher. (If your district has

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not incurred expenditures in this quarter, submit an Invoice Voucher with the “No activity this quarter” box checked.)”

COMMENT: Why would it matter if a CD was incurring costs and not vouchering for them yet? When they need the money they'll voucher. It seems like the extra step is like a concerned parent not wanting to let their child make decisions.

RESPONSE: Two Commission policies come into play here;

- 1) A grant contract may be terminated by the Commission In the event a CD fails to commence work on a grant project within four months after the effective date. The Commission uses district invoice vouchers as another form of monitoring grant progress. If vouchers are not submitted until 6 months into the grant, Commission staff do not know if the CD has initiated work but not vouchered, or just not initiated work on the contract; and
- 2) Vouchers submitted less frequently than once a quarter result in an increased workload in that these vouchers contain more errors, the same errors occur throughout the voucher, and errors are not dealt with by the CD in a timely fashion. Less frequent vouchering also results in infrequent Commission/CD staff communications and fewer opportunities for clarifying policies and procedures

REGARDING: Chapter IV, B.4.b.i, Authorized Signatures Form: “An Authorized Signatures Form must be on file at the Commission office before Invoice Vouchers can be processed. An Authorized Signatures Form lets us at the Commission know who in your district is authorized by the chair to sign invoice vouchers, amendments, travel vouchers, etc.”

COMMENT: Can the chair authorize staff to sign Cost Share Application and Agreements submitted with vouchers?

RESPONSE: Yes, 89.08.210 states: “The supervisors may delegate to their chairman, to one or more supervisors, or to one or more agents or employees such powers and duties as it deems proper.”

The 2005-07 Authorized Signatures Form will be updated to include the names and signatures of personnel authorized by the board to sign Cost Share Applications and Agreements.

REGARDING: Chapter IV, B.4.c & d,

Fiscal year end / biennium end request for payment: “The district must submit a request for payment at the end of a fiscal year (June 30) and biennium (June 30 of all odd numbered years) within Fifteen (15)

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days after the end of a fiscal biennium. Because of general state fiscal year / biennial year close-out procedures, late submission may result in a significant delay in payment.

Final request for payment The district must submit a final request for payment within thirty (30) days after satisfactory completion of the grant contract. Only expenses incurred before the expiration date of the grant contract are eligible for reimbursement. The last payment will be processed only after all required reports, final payment request and closing documents have been received by the Commission.”

COMMENT: Most of our grants end on June 30 and require that final payment requests are made by July 15. It would make sense to combine the two paragraphs into one and have the expiration dates be the same. This is a little confusing right now.

RESPONSE: This is a good suggestion. The due dates were changed to 30 days for both situations. Experience has taught us that it is not reasonable to expect a district to have received all billings in under 30 days. The two paragraphs will be left separate since they are two different situations.

REGARDING: Chapter IV, C.5, Audit Finding or Management letter:

“Districts that receive findings or a management letter of a financial nature from the Office of the State Auditor must submit monthly payment requests with all supporting documentation for a period of one year after the date of the finding or management letter”.

COMMENT: We determined that there are all kinds of areas of concern that can be brought up under a management letter or even an audit finding. These would not necessarily warrant the Commission receiving extra paperwork for every grant the district has for a whole year. The examples cited by the district were management letters they received for native plant sales regarding separation of duties. How would reviewing grant invoices help address an issue on the once-a-year plant sale?

RESPONSE: This is a good point. Language in the above referenced section was revised to reflect grant-specific wording.

REGARDING: Chapter V, A, Cost Sharing policies of the Commission

COMMENT: Add the requirement for each conservation district to develop a cost share policy to provide the district board with guidelines for making cost share decisions.

RESPONSE: This is a good suggestion. Language in the above referenced section was enhanced to incorporate it.

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REGARDING: Chapter V, A.1.m, Cooperator Share: “The Commission will accept the value of in-kind labor from cooperators based on the lesser of the established rate of \$18.00 per hour for adults and current minimum wage rate for minors, or the actual per hour rate of the laborer. i.e. the landowner uses their employee who is paid \$11.50/ hr to install the BMP. The Commission will not accept the value of land taken out of production in the course of installation of cost shared BMPs, or loss of production value.”

COMMENT: Our local USDA FSA County Committee sets the “Rates for producers own Labor and Machinery Rates” annually. I thought this would be something to look at for match provided by the producer.

RESPONSE: This is a good suggestion. Language in the above referenced section was revised to incorporate it.

REGARDING: Chapter V, A.1.r, Location of BMPs: “Cost sharing may be used in urban areas as well as on rural farms and ranches. Projects funded in urban areas must meet the same requirements as those funded on agricultural land. Districts may cost share on publicly owned lands (except federal), as long as the cost share agreement includes the public entity, and the lands in question are under the control of the public entity. In the case of cost sharing with a lessee located on publicly owned land, the entity owning the land must also be a signatory to the cost sharing application.”

COMMENT: Add “located within District boundaries”.

RESPONSE: This is a good suggestion. Language in the above referenced section was enhanced to incorporate it.

REGARDING: Chapter V, A.3.a, CREP Maintenance Costs: “The Commission has agreed to provide to landowners participating in the CREP program maintenance costs for up to five years from the establishment date (the date the producer has installed all cost shared components the first time). Each CREP conservation district is required to work with FSA and the landowner to project these costs. This projection will then be used by the Commission to amend, if necessary, the budget in each district’s CREP contract. The Commission must encumber these funds so that they can be expropriated across biennial lines for future use.”

COMMENT: Add “”according to the terms of the CREP Maintenance Funding Policy adopted by WSCC on 5/1/04” and other clarifying language.

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RESPONSE: This is a good suggestion. Language in the above referenced section was enhanced to incorporate it.

REGARDING: Chapter V, B.9, Q: *Who determines the cost of BMP implementation?*

“A: A district may obtain information on the cost of specific BMPs in its area from the NRCS cost list; or from data in the NRCS FOCS system; or from recent historical data in the local FSA office. Where this data is not available, districts may determine costs for BMPs based on surveys of responsible local vendors and/or contractors.

Alternately, a district may determine the cost of BMP implementation by reviewing recent receipts for installation of the same BMP in their area (When doing this, a district should disregard the highest and lowest receipts, and then average the rest). When the practice has been implemented, the district will reimburse the cooperator a percentage of the established practice cost, or the actual cost, whichever is less.”

COMMENT: Add various clarifying wording.

RESPONSE: This is a good suggestion. Language in the above referenced section was enhanced to incorporate it.

REGARDING: Chapter V, B19, Q: *How do I determine when BMPs were installed retroactively (and are therefore ineligible for cost sharing)?*

“A: The term “retroactive” applies to any expenses related to BMPs which were incurred before the date your district chair signed the cost share agreement. The cooperator’s signature on the cost share form represents an application for cost sharing. Your district chair’s signature represents board approval and is also the effective date of the cost sharing agreement.”

COMMENT: The only exception would be if a landowner purchased materials in bulk for another project that was completed before the effective date and used the remaining materials to complete the current project. The project would be ineligible for cost sharing if the construction was started before the effective date.

RESPONSE: This is a good clarification. Language in the above referenced section was enhanced to incorporate it.

REGARDING: Chapter VI, B.1, Soliciting for Personal Services: “Issue RFP or RFQQ to a minimum of 6 firms/businesses. District may also just send a notification to 6 or more businesses that the solicitation

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document is posted on their web site and can be accessed there.
Document for the file if fewer than 6 firms are contacted & state the reason why"

COMMENT: Add clarifying wording.

RESPONSE: This is a good clarification. Language in the above referenced section was enhanced to incorporate it.

REGARDING: Chapter VI, B.2, Soliciting for Purchased Goods and/or Services "Evaluate proposals strictly against the criteria that is set forth in the IFB and score the proposals. Determine apparent successful bidder."

COMMENT: Do these need to be evaluated by 3 people?

RESPONSE: Yes, they do. Language to that effect was added.

REGARDING: Chapter VI, 3.a & b, Small Works Roster and Limited Public Works Process

COMMENT: Not familiar with either concept.

RESPONSE: None needed.

REGARDING: Chapter VI, B.3.b, Process for Conservation District Use of Limited Public Works Process

COMMENT: It should be noted that a project may not be broken down into smaller units to avoid bidding and contracting requirements.

RESPONSE: This is a good clarification. Language in the above referenced section was enhanced to incorporate it.

REGARDING: Chapter VII, A.2.c, Disposition of tangible personal property

COMMENT: This would be a great addition. Would this include items bought using Basic Funding, Commission Grant and DOE 319 Grants? I lump the 319 and Commission Grants together because they come from the same pot, just rerouted. I know our CD has things in storage because we don't know what we can and cannot do to get rid of them. Will this have different categories i.e. accountable / unaccountable. Will the accountable items have a designated use life where after that time they become unaccountable items so they can be sold or given away? If an item is sold, does the money received go to the district, or back to the Commission? If it goes back to the Commission, what will it be earmarked for? If it stays at the district level, I would hate to see it subtracted from the Basic Funding because someone feels it could save money. I think since the CD

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has cared for, stored and did what it took to sell these items, any money they receive should be placed in their account without being penalized through Basic Funding.

RESPONSE: The Grants Administrative Procedures manual only applies to items purchased with Commission grant funds. For disposal of assets purchased with other agency funding the CD should contact the grantor. A thorough review of the above referenced section by the CD will answer the questions posed by the CD.

For disposal of assets that belong to the CD, the CD should have written policies and procedures for an Asset Management System. This is a requirement in the Budgeting, Accounting and Reporting Manual issued by the State Auditor (pages 5-11 thru 5-14). The duty to make certain that public property is adequately protected and that its use is properly managed is one of the fundamental responsibilities of a CD. At the time the Commission Grants Review was conducted with this CD, an example of an Asset Management System was left with the CD.

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